

## **PRAVEEN CAPITAL PVT LTD**

[CIN: U67120KA1996PTC072006, Regn.No. 72006]

**Sri Ganesh Complex, Main Road, Darbe, Puttur- 574202**

### **Fair Practices Code**

#### **1. INTRODUCTION:**

Praveen Capital Private Limited; hereinafter referred as "Company", is a Private Limited Company registered under the Companies Act with an object to carry on the business of financing and other allied activities. Further, the entity is registered as Non Banking Finance Company under the Reserve Bank of India Act. RBI vide Circular No. 2012-13/416/DNBS. CC. PD No. 320 /03.10.01/2012-13 dated 18th February, 2013, and as per Chapter V of the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company, Reserve Bank Directions, 2016 dated September 01, 2016. The Fair Practices Code, is in conformity with these Guidelines on Fair Practices Code for N-SI N-D NBFCs as contained in the aforesaid RBI Circular. This sets minimum Fair Practice standards for the Company to follow while dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis. This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

Accordingly, the following fair practice procedures are followed by the Company:

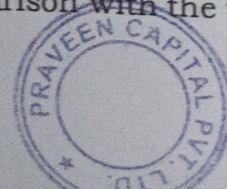
#### **2. BRIEF PARTICULARS OF FAIR PRACTICES CODE FOLLOWED BY THE COMPANY:**

The Company has taken the following initiatives to comply with the notification issued by Reserve Bank of India in connection with fair practices code;

#### **3. Applications for loans and their processing:**

(a) The Company has implemented the system of providing all communications to the borrower in vernacular language or a language as understood by the borrower.

(b) Loan application forms include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and





conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form indicates the documents required to be submitted with the application form.

(c) There is a system of giving acknowledgement for receipt of all loan applications.

#### **4. Loan appraisal and terms/conditions:**

Sanction letters are given to the borrowers specifying the loans sanctioned along with terms and conditions including annualised rate of interest and method of application thereof. Further, Company retains the acceptance document from borrower on terms and conditions of the loan.

#### **5. Interest charges by the Company:**

In the existing system, there is a system of disclosure of interest rates and the same will be approved by the borrowers before sanction. The Company has fixed the interest charges after considering the cost of funds, margin and risk premium, etc and determine the rate of interest to be charged for loans and advances.

The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers has been disclosed to the borrowers. A separate Interest Rate Policy as approved by the Board, is in place.

#### **6. Penal interest charges for late repayment in bold in the loan agreement:**

The Company has introduced a practice of providing the Copy of the Loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

#### **7. Disbursement of loans including changes in terms and conditions:**





(a) There is system of giving notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Also changes in interest rates and charges are affected only prospectively. A suitable condition in this regard is incorporated in the loan agreement.

(b) Decision to recall/accelerate payment or performance under the agreement is in consonance with the loan agreement.

(c) The Company releases all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim pending against borrower with due notice.

#### **8. General:**

a) Company or its officials are made aware that no interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).

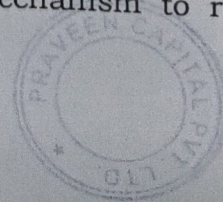
b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

c) In the matter of recovery of loans, Company or its Officials will not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loan, rude behaviour from the staff etc. The staff are adequately trained to deal with the customers in an appropriate manner.

d) As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers, Company will not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

Further,

a. Company has setup a grievance redressal mechanism to resolve the disputes arising while providing loans.





- b. There is a system of periodic review of compliance as required under fair practice code guidelines.
- c. The Company has displayed the fair practices code procedures in the notice board for easy access to the borrowers.

#### **9. Repossession of vehicles financed by the Company:**

The Company has a built-in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement also contain provisions regarding:

- (a) notice period before taking possession;
- (b) circumstances under which the notice period can be waived;
- (c) the procedure for taking possession of the security;
- (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
- (e) the procedure for giving repossession to the borrower and
- (f) the procedure for sale / auction of the property.

A copy of such terms and conditions is made available to the borrowers.

#### **10. Responsibility of Board of Directors :**

The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization so that all disputes arising out of the decisions of lending are heard and disposed of at least at the next higher level. The Board of Directors will review the compliance of the Fair Practices Code and the functioning of the Grievance Redressal mechanism at various levels of management on regular basis. As and when required a report is submitted to the Board of Directors.

#### **11. Grievance Redressal Officer:**



At the operational level, the following information prominently displayed, for the benefit of the customers, at the branches/ places where business is transacted:

- a) the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
- b) If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Supervision of the Bank (with complete contact details), under whose jurisdiction the registered office of the applicable NBFC falls.

## **12. Language and mode of communicating Fair Practice Code**

Fair Practices Code, based on the guidelines outlined hereinabove is put in place, with the approval of the Board of Directors.

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